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CIA HISTORICAL REVIEW PROGRAM
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MEMORANDUM FOR THE RECORD

SUBJECT: Search of Ships in the Caribbean Area for Arms

1. I discussed with Mr. Robert F. Woodward and Mr. Raymond G. Leddy of the Department of State specific problems arising out of the Wulfsbrook case and prospective problems arising out of a general program for search and stoppage of armament shipments.

2. Specifically I proposed to Mr. Woodward some language for a note in answer to the protest of the Netherlands Government which would combine the legal basis for the search of the Wulfsbrook with the thought, previously suggested by Mr. Wisner, of the mutual interests of the two governments involved in the area. Mr. Woodward said he felt this proposed wording was sound. I then suggested some thoughts on the general problem of search of shipping in the area whereupon Mr. Woodward produced the draft resolution which this Government would recommend be signed by the appropriate Latin American countries to take such action as might be necessary in the case of arms shipments bound for Guatemala. I asked if the Department had reached a final position on the potential liabilities implicit in such a resolution. Mr. Leddy stated that the only pressing problem arose out of the inquiry from the German Government in Bonn as to whether this Government would undertake any expenses created by the act of the German Government in holding ships at our instance. Mr. Woodward said he had received oral inquiries from the British Embassy here but was not being pressed for an answer. Mr. Leddy suggested that rather than answering the Bonn inquiry directly, we ask the Maritime powers involved for a general statement of cooperation in principle in order to determine whether the question of indemnification would be the deciding point. Meanwhile, we could investigate further the implications of liability.

3. I stated that there seemed to be a good deal of uncertainty as to precisely how such claims would arise, how they would be processed, and what normal machinery there was for settling such claims. I suggested that the legal staff of the Department of

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State and that of the Department of the Treasury were probably far more familiar with these claims which appeared to arise under admiralty statutes rather than the Federal Tort Claims Act and that Mr. Woodward might wish to ask the Legal Adviser to assign someone to investigate the problem. Mr. Woodward said he would talk to Mr. Herman Phleger about this and ask him to have someone study the whole question. I said we would be very glad to assist, and when we found out how claims were handled under the normal overt procedures and who was responsible for making payment, we would then see how CIA would fit into the program. I said I felt certain that if we instigated action in any one case, and particularly if the action were of a clandestine nature, we would be willing to accept responsibility, but that I felt the overt program generally was somewhat outside of our charter. However, I stated we would do whatever we could to help out.

4. In line with Mr. Bissell's thought, I stated the sooner we resolved the various problems the better position we would be in to take immediate action when information concerning armed shipments was received. Meanwhile, Mr. Leddy said we would just have to proceed on a case-by-case basis, to which I agreed. Mr. Woodward said we would hear from him or the Legal Adviser's Office in the near future.

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General Counsel

cc: DD/P
SA/DCI/P&C